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## CITY AUDITOR'S STATEMENT OF ORGANIZATIONAL INDEPENDENCE

One of the pillars of the Internal Audit Function is the requirement to be independent and objective in carrying out its mission. This involves maintaining a mental attitude and perspective of being removed in fact and appearance from the processes employed, the results, conclusions, and reporting of engagements and projects performed under the scope of authority. These parameters are set forth in the Audit Division (AD) Charter and are applied to the Division, functions, and individuals who are involved in the activities prescribed.

As such, the City Auditor, Audit Manager, and the City Controller assure this concept as it applies to the AD on an annual basis and/or as required.

NOTE: The most relevant GAGAS and IIA Standards are listed at the bottom of this statement.

Identify audit areas that may be affected or where organizational independence may be impaired:

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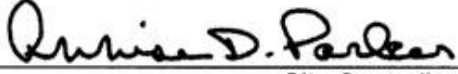
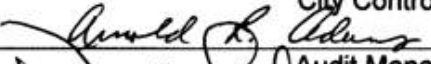

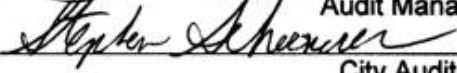
## POSSIBLE ORGANIZATIONAL IMPAIRMENTS TO THE AUDIT DIVISION'S INDEPENDENCE

I have reviewed the activities, functions, organizational structure, and reporting lines with respect to City Administration and the component Departments, programs, and processes. I am not aware of any circumstances that might impair or lead others to question the AD's ability to be independent, impartial, and objective on any audit/engagement, except as indicated above or on attached pages.

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## RESPONSIBILITY TO UPDATE THIS DISCLOSURE

I understand that I am also responsible to make timely written notification in the event any other circumstance arises during the course of this year that might impair or appear to impair the AD's independence with respect to any audit or activity.

 _____ City Controller	<u>12/2/09</u> _____ Date
 _____ Audit Manager	<u>12/2/09</u> _____ Date
 _____ Audit Manager	<u>12/2/09</u> _____ Date
 _____ City Auditor	<u>12-2-09</u> _____ Date